

# The Japan Rubber Futures Weekly Report:

09 Aug 2021 – 13 Aug 2021

**Note:** Japan July PPI higher at +1.1% on month while July PPI also higher at +5.6% on year (expected 5.0%)

## Rubber Futures Report:

Rubber Futures prices closed the week generally mixed in mostly sideway and uncertain trading. On the OSE market, prices closed marginally higher in quiet trading. On the SHFE market, RSS3 futures closed lower as Sept futures were switched to the active Jan contract. Weekly rubber stocks at the SHFE was also higher +5,914 tonnes. On the INE market TSR20 prices closed higher on strong new buying and short covering. SICOM rubber futures were steady and closed slightly firmer in narrow trading range all week. Rubber market overall sentiment remains steady with tight physical supplies and logistic backlog are holding prices well. There is also hope that a strong global recovery this year could also lead to stronger vehicle sales and better demand for rubber. On global news, US Senate approval of Infra-structures deals of US\$1T and US\$3.5T had brought US equities to new record highs. Fed officials have been hinting about a forthcoming tapering (cutting down on Bond purchase) by the end of the year had caused bond yield to rise slightly. US CPI +0.5% on month in July but PPI was higher at 1.0% on month. Jobless claims was in-line at 375,000 for the week.

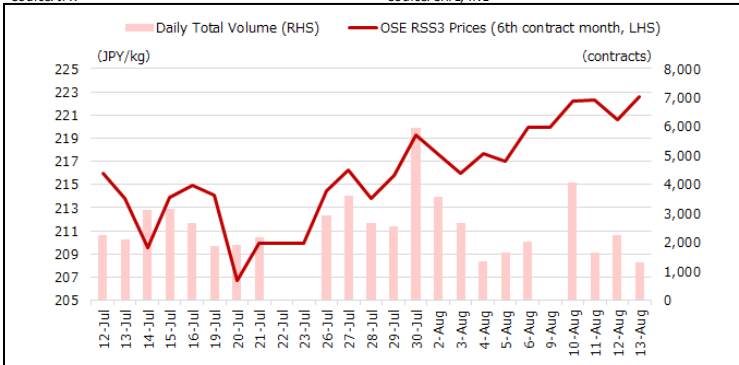
OSE RSS3	Last (JPY)	Net	SHFE/INE	Last (CNY)	Net	SICOM TSR20	Last (USc)	Net	TFEX	Last (THB)	Net
Aug 21	210.9	+1.9	SCR/RSS Sep 21	13,525	-25	Sep 21	175.0	+1.6	RSS3 Dec 21	64.55	-1.05
Sep 21	214.7	+2.0	SCR/RSS Jan 22	14,675	-95	Oct 21	173.8	+1.2	RSS3 Jan 22	64.75	-1.20
Oct 21	217.3	+0.5	<b>Total Vol.</b>	<b>2,464,939</b>	<b>+157,272</b>	Nov 21	173.5	+0.6	JRF Dec 21	220.2	-1.3
Nov 21	219.1	+1.5	<b>Total OI</b>	<b>325,423</b>	<b>-7,415</b>	Dec 21	173.7	+0.5	JRF Jan 22	222.2	-1.3
Dec 21	221.5	+2.5	INE TSR Sep 21	11,495	+355	Jan 22	174.3	+0.6	<b>ICEX</b>	<b>Last (INR)</b>	<b>Net</b>
Jan 22	222.6	+2.7	INE TSR Oct 21	11,605	+290	Feb 22	175.3	+0.8	RSS4 Aug 21	17,671	+473
<b>Total Vol.</b>	<b>9,269</b>	<b>-2,016</b>	<b>Total Vol.</b>	<b>90,337</b>	<b>-3,405</b>	<b>Total Vol.</b>	<b>22,339</b>	<b>-5,673</b>	<b>MCX</b>	<b>Last (INR)</b>	<b>Net</b>
<b>Total OI</b>	<b>12,054</b>	<b>-242</b>	<b>Total OI</b>	<b>32,563</b>	<b>+170</b>	<b>Total OI</b>	<b>37,658</b>	<b>+1,041</b>	RSS4 Aug 21	18,100	+200

Source: JPX

Source: SHFE, INE

Source: SGX

Source: TFEX, ICEX, MCX



Source: JPX

Important Data / Stock levels	Last	Net
Japan OSE Rubber Stocks (ton, 31 July)	7,878	-146
Shanghai SHFE Rubber Stocks (ton, 13 Aug)	207,064	+5,914
Shanghai INE Rubber Stocks (ton, 13 Aug)	45,608	-529
China Vehicle Total Sales (unit, 31 July)	1,863,000	-152,309
China Passenger Car Sales (unit, 31 July)	1,551,000	-18,081
China Commercial Car Sales (unit, 31 July)	312,000	-134,228
US Unemployment Rate (% July)	5.4	-0.5
US Non-Farm Payroll (July)	943,000	+93,000
Japan Unemployment Rate (% June)	2.9	-0.1
Japan PMI (July)	53.0	+0.8
Japan Tankan Large Manufacturing (2Q)	+14	+9
China PMI (July)	50.4	-0.5
China GDP 2Q (%)	+7.9	-10.4

Source: JPX, SHFE, Bloomberg

FOREX	Last	Net
USD/JPY	109.59	-0.66
EUR/USD	1.1797	+0.0035
GBP/USD	1.3866	-0.0006
USD/CHF	0.9156	+0.0008
AUD/USD	0.7370	+0.0014
USD/CNY	6.4774	+0.0057
USD/INR	74.2475	+0.0925
USD/SGD	1.3549	+0.0001
USD/MYR	4.2375	+0.0183
USD/THB	33.297	-0.141
USD/IDR	14,387.5	+34.5
USD/VND	22,822	-112

Source: Bloomberg

Stock Index	Last	Net
NK225 Japan	27,977.15	+157.11
TOPIX Japan	1,956.39	+27.05
Dow Jones US	35,515.38	+306.87
S&P 500 US	4,468.00	+31.48
Nasdaq US	14,822.90	-12.86
CSI 300 China	4,945.98	+24.42
Shanghai China	3,516.30	+58.07
HSI Hong Kong	26,391.62	+212.22
STI Singapore	3,165.49	-11.69
KLCI Malaysia	1,505.11	+15.31
SET Thailand	1,528.32	+6.6
IDX Indonesia	6,139.49	-63.94
VSE Vietnam	1,357.05	+15.60

Source: JPX, Bloomberg

JPX Derivatives	Last	Net
JPX NK225 Sep 21	27,990	+150
JPX TOPIX Sep 21	1,957.0	+26.0
JPX NK 400 Sep 21	17,635	+285
JPX TSE REIT Sep 21	2,128.5	-11.0
JPX NK 225 VI Sep 21	19.55	-15.5
JPX JGB 10 Year Sep 21	152.20	-0.10
JPX Gold 1 Kg Jun 22	6,236	-123
JPX Mini Gold 100g Jun 22	6,236	-123
JPX Gold Rolling Spot	6,235	-117
JPX Silver Jun 22	82.7	-6.1
JPX Platinum Jun 22	3,617	+64
JPX Palladium Jun 22	9,310	0
JPX Corn July 22	35,120	+920

Source: JPX

### Rubber Trading – Technical Analysis (OSE Jan Rubber futures):

OSE Jan rubber futures closed the week firmer at 222.6 (+2.7) Prices had traded higher for a second consecutive week amid an oversold position. The high touched 223.8 on 12 Aug is likely to be tested again. Support is seen at 219.0 then 216.0 with resistance at 226.8 and 237.0 respectively. OSE RSS3 market is trading weaker as compared to the TSR20 last week and the narrow of the RSS3/TSR20 spread should be closely watch.



Source: Bloomberg

### Rubber Trading – SICOM Rubber Futures Oct Contract

SICOM Oct rubber futures closed the week at 173.8 (+1.2). Trading was mostly sideways all week in light volume. Market sentiment remains steady with strong support at 169.5/170.0 level and resistance at 174.5/175.0. Oct futures will need to close above 175.0 or below 170.0 to see a new trading range. SICOM front trading month Sept is trading at a premium indicating a shortness in the physical supplies. As the physical supply tightness persist, SICOM prices should remain steady.



Source: Bloomberg

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